

GOP PROPOSAL TO PRIVATIZE SOCIAL SECURITY CUTS BENEFITS BY ALMOST FIFTY PERCENT, HURTING VETERANS

The Republican privatization proposal hurts everyone, but our veterans are most at risk, facing a cut in their Social Security benefits by more than 40 percent. This risky privatization plan would endanger retirement benefits for millions of Americans, but the private accounts are unlikely to earn enough to make up for the drastic loss in benefits. Social Security needs a solid source of funding, not a plan that makes the problem worse by draining trillions of dollars from the Trust Fund. This plan leads to future tax increases by forcing America to borrow trillions from foreign countries. Under the Republican proposal, Social Security does not get stronger – it gets weaker.

Republicans are advocating Social Security privatization that will hurt everyone, including today's beneficiaries. Privatization would take trillions away from Social Security, endangering the benefits of current retirees and people with disabilities and directly cutting benefits by more than 40 percent for future generations -- even those who decide not to set up a private account.

Social Security is the key to independence for more than 9 million American veterans. Approximately 9.4 million military veterans were Social Security beneficiaries in 2003 – the highest number in history. Nearly 25 percent of Social Security beneficiaries were veterans, and 40 percent of all Social Security beneficiaries were either veterans or resided with family members who were veterans.

And the importance of Social Security for our veterans and their families has been growing. Between 1968 and 2000, number of veteran Social Security beneficiaries more than quadrupled, growing twice as fast as the rest of the population. More than 40 percent of the veteran Social Security beneficiaries were from World War II in 2003.

The Republican plan requires trillions in borrowing, leading to more debt and higher taxes in the future and forcing America to borrow trillions from foreign countries. The Bush plan would take our already record high \$4.3 trillion national debt and add nearly 5 trillion dollars to the debt over 20 years. Republicans have already increased the national debt to historic levels, creating a debt tax that is thousands of dollars a year for families. And this plan will further increase an already skyrocketing deficit. That's an immoral burden to place on the backs of the next generation. This rising debt will also force us to borrow even more from foreign countries, including China and Japan. More than 90 percent of new U.S. debt has already been financed by foreign countries since January 2001.

Social Security represents the generational promise of honoring our parents. Social Security is an American success story that safeguards Americans' independence and economic security when they get older. Since President Franklin D. Roosevelt signed Social Security into law in 1934, it has improved the lives of millions of senior citizens who receive its benefits, and enabled our country to obey the commandment: "honor thy father and thy mother." Veterans have made the ultimate sacrifice for our country. This is no time to break the promise of retirement security for our veterans.

Veterans have paid into Social Security for years – and have earned their benefits. Social Security is based on the contributions of millions of workers to ensure that every American can achieve retirement security. Congress should not be allowed to spend Social Security taxes on anything but Social Security benefits. Democrats will fight to protect Social Security and to bolster retirement security by expanding opportunities to save through 401(k), IRA, and other pension options.